
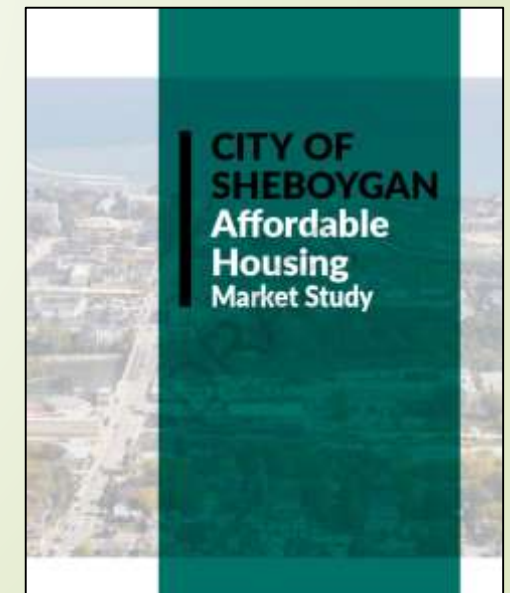




Affordable Housing Study Recommendations Update



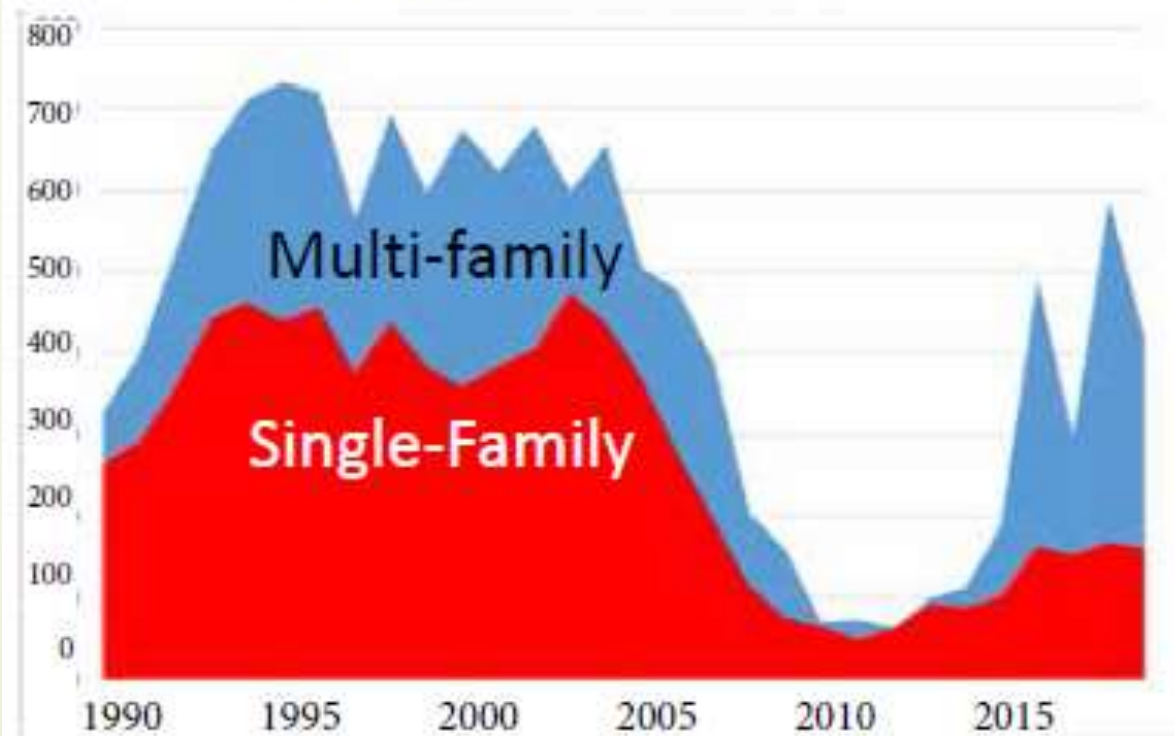
By: Chad Pelishek, Director of Planning and Development
Common Council
June 20, 2022



Recap of the Study Findings:

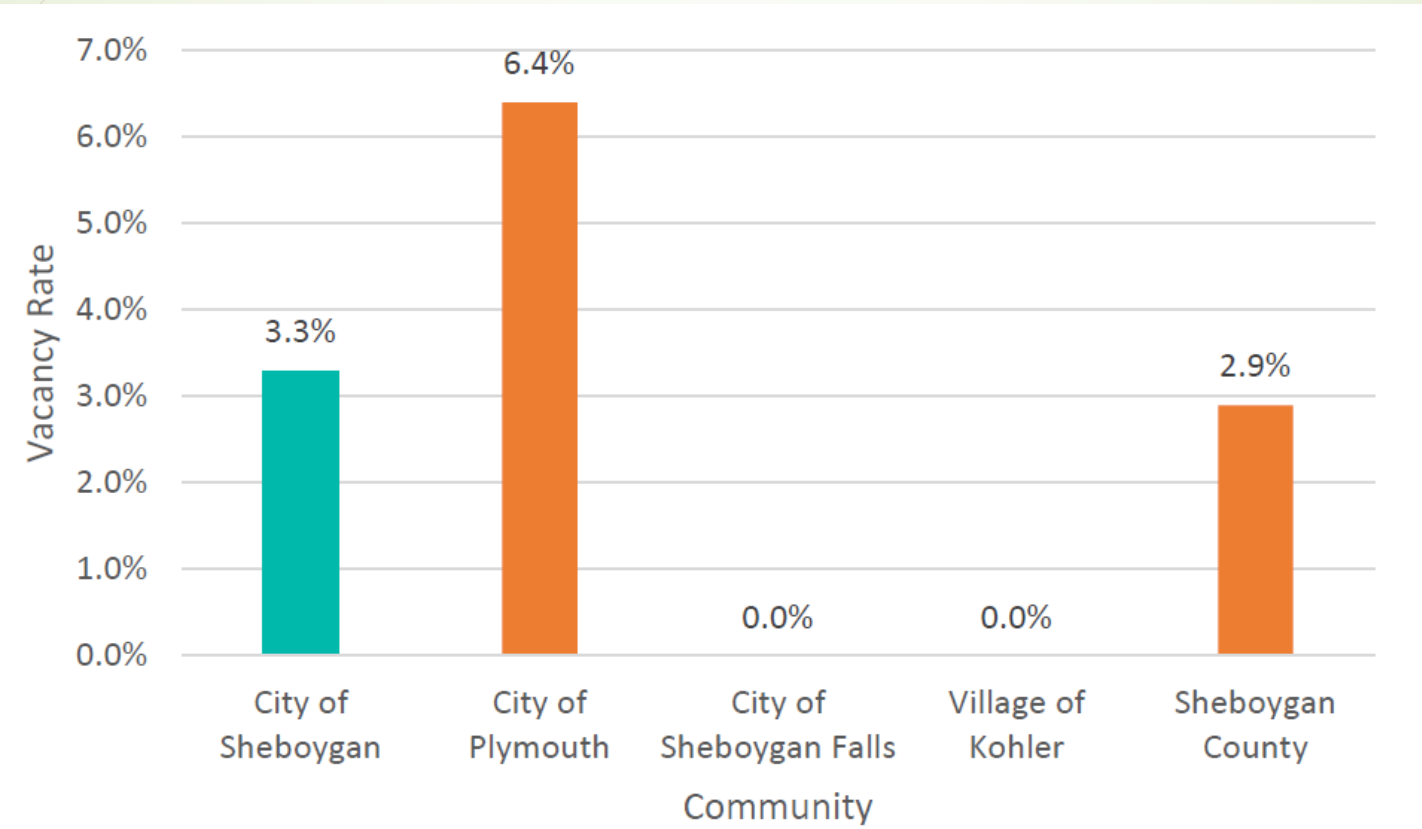
Figure 31. Total Housing Units by Type for Sheboygan County

Source: Sheboygan County



Rental Unit Vacancy

Data as of 12/31/20



** A typical healthy vacancy rate is between 5% and 7%.

A vacancy rate around 5-7% provides an appropriate balance between supply and demand, with enough units to provide choices.

Demand Projections from the Study

Rental Units

401-1,023 by 2030
(40-102/year)

- 184-471 up to \$918/month
- 112-287 \$1,028-\$1,465/month
- 104-266 greater than \$1,284/month

Owner-Occupied Units

325-715 by 2030
(33-72/year)

- 60-131 up to \$129,000
- 64-141 \$146,000-\$222,000
- 45-100 \$192,000-\$281,000
- 156-342 greater than \$234,000

Senior-Independent Living

- 1,005* subsidized
- 284* market rate

Senior-Assisted Living

- 196 additional units by 2030

Summary of the Study Recommendations

Capacity Building & Communication

- Establish Housing Committee
- Provide Housing for All
- Network at WHEDA Events
- Continue Developer Summit

Initiatives

- Assist & Grow Neighborhood Associations
- Purchase and Market City-Owned Redevelopment Properties
- Develop Neighborhood Master Plans
- Create Tenant Resource Center

Regulation

- Allow Multi-Family Units as a Permitted Use
- Reduce Setbacks
- Create a New Residential District
- Continue Code Enforcement Program
- Continue Flexibility on Infrastructure Requirements

Partnerships

- Support Habitat for Humanity, Partners for Community Development, and Other Affordable Housing Providers
- Continue Landlord Education
- Form Working Groups with Major Employers
- Explore Opportunities to Offer On Site Child Care and Health Care



Study Recommendations and Current Actions

Capacity Building and Communication

- Establish a Housing Committee
 - City staff is working closely with the Sheboygan Housing Coalition. The Coalition created a subcommittee on affordable housing of which the city and Partners for Community Development leads.
- Provide Housing for All
 - *Working on multiple affordable housing options for families, young professionals, individuals, veterans, and seniors (more details in future slides)*
- Network at WHEDA Events
- Continue Developer Summit
 - *2022 Developer Summit is scheduled for October 6, 2022 in partnership with the SCEDC.*



Study Recommendations and Current Actions

► Initiatives

- Assist and Grow Neighborhood Associations
- *City Dev Staff continues to attend neighborhood meetings, Town Hall training series for neighborhood leaders, future addition of neighborhood outreach specialist to grow the number of associations.*
- *Purchase and Market City-Owned Redevelopment Properties*
 - *City Dev staff completed a city-wide study of all vacant city-owned properties. Exploring new developments*
 - *Recent purchase of Jakum Hall (more info in future slide).*



Study Recommendations continued

Regulation:

- Allow Multi-Family Units as a Permitted Use. Reduce Setbacks.
 - Prior discussion about these at a previous council meeting. Processes in place to allow these to happen as part the land use approvals.
 - Continue Code Enforcement Program
Ongoing
 - Continue flexibility on Infrastructure Requirements
 - *Ongoing*

Partnerships

- Form Working Groups with Employers
 - Completed in partnership with the SCEDC
- Continue Landlord Education
 - *Two sessions per year (spring/fall)*
- Support Habitat for Humanity, Partners for Community Development and other affordable housing providers
 - Council dedicated funding to both organizations through CDBG.



Update on Upcoming Affordable Housing Opportunities

Commonwealth Development

- Only Sheboygan project to receive award of the tax credits in 2022
- Family Affordable Housing Units
- Location: N. 14th and Indiana Avenue
- 48 units
- On a bus route to provide transportation
- Property is currently vacant
- \$12 Million project. Funding sources: WHEDA Low Income Tax Credits, City's American Rescue Plan Act Funds

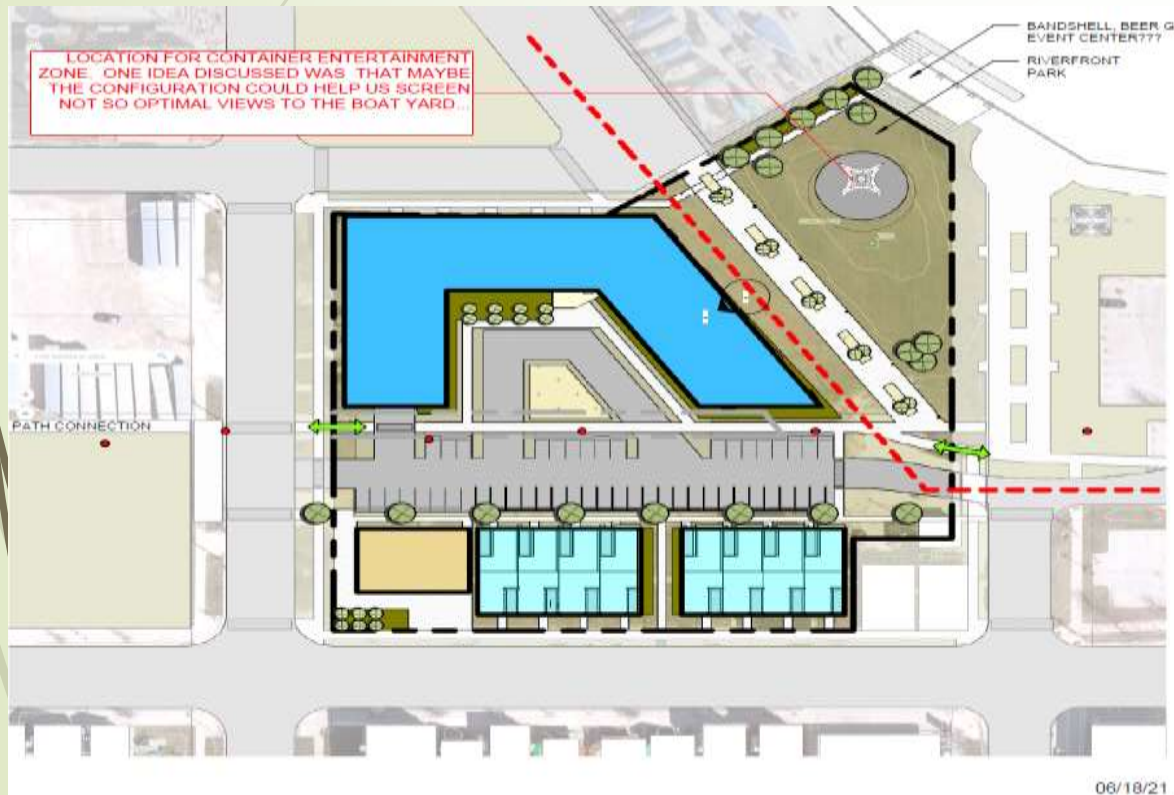


Affordable Housing Project No. 2: Partners for Community Development Project

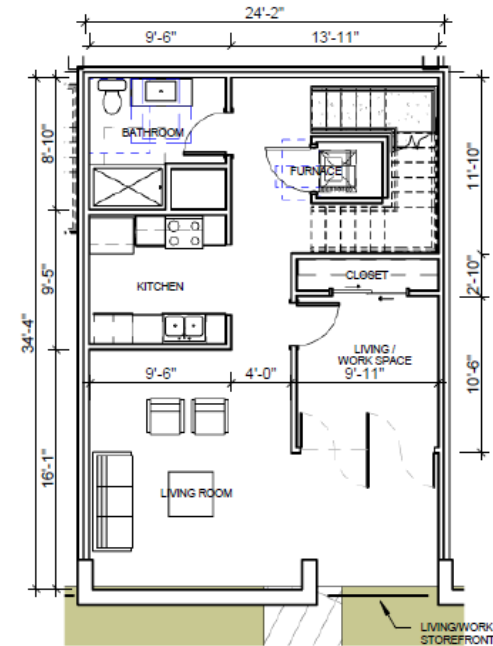
- Location: 13th and Erie Avenue, Vacant Land
- 44 affordable units. Family, Individuals and veterans housing units
- On a bus route
- Potential Funding Sources: WHEDA Low Income Tax Credits, City's American Rescue Plan Act Funds, State American Rescue Plan Act Funds



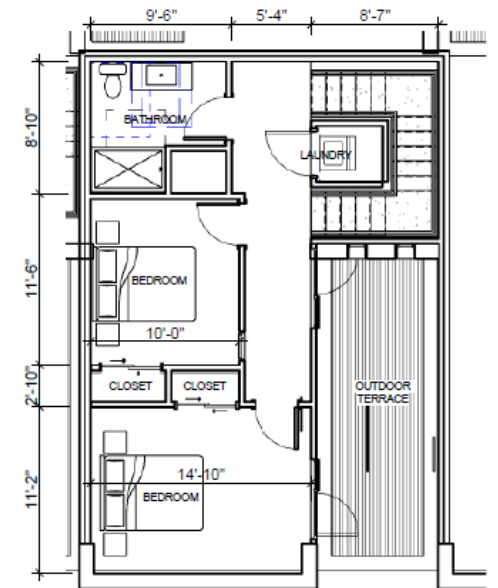
Berkshire Sheboygan- General Capital Partners – Former Koepsell Property



Affordable Live/Work Units (18)



TH - LEVEL 1 PLAN



TH - LEVEL 2 PLAN

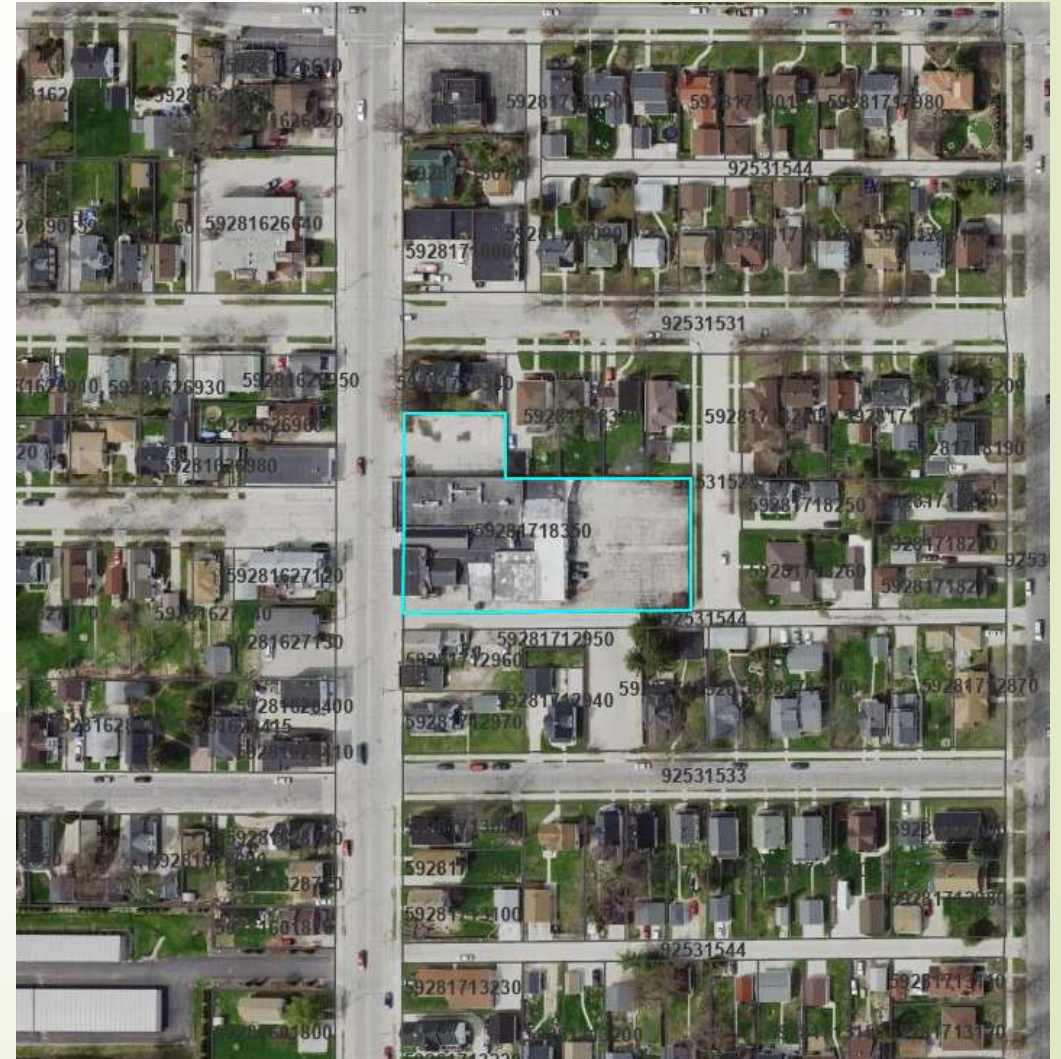


Up to 100 Units of Senior 55+ housing and 18 units of Live/Work (all ages)

- \$26 Million Project
- Funding Sources- WHEDA Low Income Tax Credits (was not funded in the 2022 allocation), City TIF
- Developer is re-running the numbers to see if there is an opportunity for the project to move forward in 2022.
- This project would present opportunities for the older population to move out of the single family homes, into housing dedicated for them, thus allowing new populations to move into the neighborhoods.

Study Recommendation: *Purchase and Market City-Owned Redevelopment Properties*

- The three projects just shown would take up the last few remaining parcels large enough for affordable housing developments.
- The city needs to start lining up other locations for new housing to continue to build the housing units needed per the study results.
- City owns Jakum Hall property (vacant and no heat for 5 + years).
 - Currently have lead and asbestos contractors removing lead. Demolition project out to bid.
 - Using City's American Rescue Plan Act funds to fund the purchase and demolish
 - City staff discussing a Request for Proposals process to find developers to develop an affordable pocket neighborhood. This could be a project for local developers.





Study Recommendation: *Purchase and Market City-Owned Redevelopment Properties:* Gartman Farms Property- Update

- Closing occurred on the purchase of 197 acres of land on the southside of Sheboygan for future mixed housing opportunities (affordable single-family, potential senior single family units, middle prices single family, etc.)
- City staff is looking for a single-family developer/engineering consultant team with experience to master plan large areas with housing products that can be built at requested price points.
 - This has proven to be more difficult than thought. Not a lot of single-family developers willing to develop in this market with minimal price comparisons.
 - Current construction costs: According to Bob Werner, a 1,400 square foot home costs \$320,000 to construct today. Two years the same house cost \$250,000.
 - City staff is talking with two potential developers, but no commitment has been confirmed to date.



Implementation of the Upper Floor Residential Rehab Program Highlights

- Utilizing funds from the Affordable Housing Fund, the Upper Floor Residential Rehab Program was established in 2020.
- The upper floor program has taken vacant office/retail/commercial space in 13 locations and created 13 affordable units.
 - City Investment: \$241,378 from the Affordable Housing Fund
 - Owner Investment: \$477,932
 - Total Leveraged: \$719,310

Upper Floor Residential Rehab Program: Reach Forward, S 8th Street





Improving Affordable Units through the City's Housing Rehabilitation Program

- On average over the past 5-7 years only 5-8 projects were completed.
- When the City launched Neighborly Software and allowed online application processing, the total number of projects improved greatly.
 - In 2021:
 - 45 applications have been submitted
 - 15 have received approval and are in construction phase
 - 11 applications still in process
 - 15 incomplete/withdrawn
 - 4 denied
 - Expended: \$208,490
 - Either Deferred or Payback loans for single family and/or multi-family units.



Other suggestions in the study:

- Work with employers to create a public/private housing fund to assist with project gaps called the Forward Fund.
 - SCEDC and local companies recently announced an \$8 million commitment to fund projects. Sheboygan Falls recently announced the first project.
 - The Forward Fund may be an option for some of the acres of the Gartman property to develop affordable single family.
- Expand the City's Affordable Housing Fund
 - Recently completed with the Council approval extending six TID's one year for affordable housing projects.
 - 5-year CIP outlines uses of the fund to offset utility costs of developing the Gartman farm

